

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
RYAN BECK & CO. INC.,

Plaintiff,

ECF CASE

Civil Action No.: 06CV5349(RCC)

-v-

**NOTICE OF APPEARANCE
AND ANSWER**

DALY HOLDINGS, INC. and SEAN M. DALY,

Defendants.
-----X

Defendants, answering the Complaint in the above noted matter, allege as follows:

1. Lack knowledge and information sufficient to form a belief to either admit or deny the allegations continued in Paragraph "1" of the Complaint.

2. Deny so much of Paragraph "4" of the Complaint as alleges that venue is proper in the United States District Court for the Southern District of New York.

3. Lack knowledge and information sufficient to either admit or deny the allegations contained in Paragraph "7" of the Complaint as to what actions Plaintiff attempted to take or what Plaintiff was advised by another entity.

4. Deny each and every allegation contained in Paragraph "8" of the Complaint as alleges that the Defendant acknowledged the debt or promised payment of same.

5. Deny each and every allegation contained in Paragraph "9" of the Complaint.

6. Deny so much of Paragraph "10" of the Complaint as alleges that Defendants are liable to the Plaintiff.

7. Deny each and every allegation contained in Paragraph "11" of the Complaint.

8. Deny each and every allegation contained in Paragraph "12" of the Complaint as such denials are set forth hereinabove with the same force and effect as if set forth hereat in length.

9. Deny each and every allegation contained in Paragraph "13" of the Complaint.
10. Deny each and every allegation contained in Paragraph "14" of the Complaint.
11. Deny each and every allegation contained in Paragraph "15" of the Complaint.

AS AND FOR A FIRST DEFENSE

12. Defendant Daly Holdings Inc. was not duly served with the Summons and Complaint and the Court lacks jurisdiction over it.

AS AND FOR A SECOND DEFENSE

13. Plaintiff failed to execute trades in the accordance with the instructions of the defendant.

AS AND FOR A THIRD DEFENSE

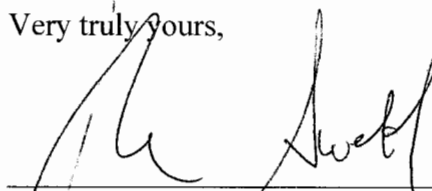
14. Plaintiff failed to mitigate its damages.

AS AND FOR A FOURTH DEFENSE

15. The parties have entered into an agreement requiring that any dispute be resoled through arbitration at the NASD.

Dated: New York, New York
July 31, 2006

Very truly yours,



ROBERT N. SWETNICK, ESQ. (RNS.6443)
Attorney for Defendants
217 Broadway, Suite 304
New York, New York 10007
(212) 349-2800

TO: DAVIDSON & GRANNUM, LLP
Attorneys for Plaintiff
30 Ramland Road, Suite 201
Orangeburg, New York 10962
(845) 667-5150

UNITED STATES DISTRICT COURT
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AFFIDAVIT OF SERVICE

DALY HOLDINGS, INC. and SEAN M. DALY,

Defendants.
-----X

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

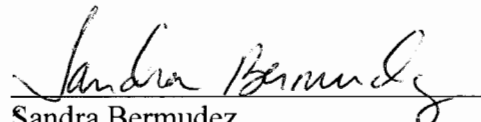
Sandra Bermudez, being sworn, deposes and says:

1. That I am not a party to the within action; am over 18 years of age and am employed by Robert N. Swetnick, Esq., at 217 Broadway, New York, NY 10007.

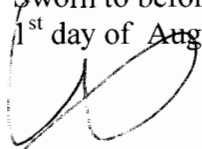
2. That on August 1, 2006, I served a true copy of the within **NOTICE OF APPEARANCE AND ANSWER** in the within proceeding upon:

DAVIDSON & GRANNUM, LLP
Attorneys for Plaintiff
30 Ramland Road, Suite 201
Orangeburg, New York 10962

by ___ Certified Mail; ___ Registered Mail; X Ordinary Mail, by depositing same in a sealed, postpaid, properly addressed envelope in an official depository of the United States Post Office, in the Borough of Manhattan, City and State of New York, for processing under the exclusive care and custody of the United States Postal Service within the City and State of New York.


Sandra Bermudez

Sworn to before me, this
1st day of August, 2006.


Notary Public, SWETNICK
Notary Public, State of New York
No. 31-3917585
Qualified in New York County
Commission Expires Aug. 30, 2006